



The Top 3 Most Shorted Stocks in Canada Today

Description

It's an interesting time for investors getting into the market. On the one hand, optimistic investors may be looking at improving market conditions and believe that there is a positive future ahead! Yet others, including [short-sellers](#), are certainly not as optimistic. In fact, some of the recent positive movement could be from these short-sellers closing out their positions.

Shorted stocks have done quite well lately. But what are short-sellers betting on these day? We'll look at the three most shorted stocks on the TSX today and why investors are betting against them.

Canada Goose

A whopping 26.8% of **Canada Goose Holdings** ([TSX:GOOS](#)) shares are short, with the stock currently identified, as potentially going through a short squeeze at the moment with shares up 31% in the last month alone.

Many believe the stock is due for some strength with COVID restrictions lessening in China, where the company expanded its business over the last few years. It's now in [overbought](#) territory and could be due for a drop. That is exactly when short-sellers hope to swoop in.

What it depends on is whether or not investors decide to take out returns after earnings. Shares may indeed drop for Canada Goose stock should earnings come in lower than hoped for. Earnings are set to come out on Feb. 7, so investors should definitely hold off until then.

Canopy Growth stock

Another company going through a potential short squeeze is **Canopy Growth** ([TSX:WEED](#)). Major news caused Canopy stock to jump up over the last six months, with the United States seeing further moves towards decriminalization. Further, the company moved forward with its Acreage investment, which could also bring in more revenue.

Yet with 24.9% of its float dedicated to short-sellers, the recent climb of 24% in the last month alone could lead to a drop in the near future. And again, we have earnings on the way — due out on Feb. 9. So, Canopy stock will have to prove its current profit-making ventures are working.

Honestly, the last three quarters fell short of earnings estimates, so there could be quite the dip expected in the next week or so for short-sellers.

iShares S&P/TSX 60 ETF

Finally, short-sellers are betting against the TSX in general by investing in **iShares S&P/TSX 60 ETF** ([TSX:XIU](#)). About 22.8% of the float is made up of short-sellers, with shares up about 7% in the last month alone.

There are simply so many red flags that could spell out a drop in the near future. Poor earnings, an inverted yield curve, everything is pointing towards a recession. But that won't be official until at least May, as we have yet to have a decrease in our gross domestic product (GDP) quarter over quarter. While it's dropping, it's not technically down ... yet.

But that's due to change in the relatively near future, and short-sellers are betting on it. In this case, when we see GDP results come out in March, there should be a decrease. If that happens, short-sellers are likely going to be rolling in it — but not the rest of us.

CATEGORY

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TICKERS GLOBAL

1. TSX:GOOS (Canada Goose)
2. TSX:WEED (Canopy Growth)
3. TSX:XIU (iShares S&P/TSX 60 Index ETF)

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